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Michigan Retailers Association  
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Thank you, Mr. Chairman, for the opportunity to talk with you about an issue that is the number one concern for Michigan's retail industry—and has been for years. I'm talking, of course, about the need to modernize Michigan's archaic, costly and duplicative pricing law, better known as item pricing.

I am Larry Meyer, Chairman and CEO of the Michigan Retailers Association, a statewide trade association based here in Lansing. We represent nearly 6,000 members and their more than 13,000 general merchandise stores—everyone from the largest multi-state chains to the smallest family-owned stores.

I'm sure I don't need to remind you that the retail industry is of critical importance to our state's economy. Retailers deliver more than \$135 billion worth of goods and services annually to Michigan residents and visitors, and they are responsible for nearly one in every five jobs in our state.

Although U.S. consumer spending has been amazingly resilient in recent years and kept the nation's economy from falling back into recession, the retail industry has not been immune from the economy's sluggishness and uncertainty. That has certainly been the case here in Michigan, where our state's continuing economic woes are taking a toll on retailers, unlike in much of the rest of the nation.

The monthly sales surveys that we conduct with the Federal Reserve Bank of Chicago have shown lackluster retail sales for more than a year now. May's numbers—which we will release tomorrow (so you have a scoop)—are no different. A majority of the retail businesses in Michigan continue to post worse sales than the previous year. Only once in the past 11 months have 50 percent of retailers been above water, and that one time was last October. Last October.

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But even if the retail industry were doing well, we would still be here this morning asking for modernization of the item pricing law.

The current law, now in its fourth decade, hurts retailers and consumers alike and discourages new business investment. Because retailers in Michigan—unlike those in every other state—must go through the costly process of putting a price sticker on virtually every item in their stores, retail business costs are higher here in Michigan than throughout the Midwest and across the nation.

These higher costs discourage retailers from coming into Michigan or expanding here, and they discourage retailers already here from investing in technology that can keep their costs and prices as low as possible in this extremely competitive industry. To an even greater degree, they discourage new retail investment in inner cities, where land and other operating costs, including security, are already higher. Add the costs of duplicative pricing to these other costs and, in too many cases, you have the straw that broke the camel's back.

There's a human cost, too. Do we want our retail employees to be mindlessly putting stickers on an endless number of items hour after hour and day after day? Or would we rather have them working at jobs that involve utilizing and servicing new computer technology in the stores, or jobs that utilize the people skills involved in providing direct service to customers? Are mindless, sticker-gun jobs the type of good-paying jobs we want to maintain and attract? Is this how we build a high-tech, knowledge-based economy? I don't think so.

That's why we strongly support House Bill 4636, which would improve Michigan's current law by giving stores more incentives to do what the law is intended to do — to make certain that the price a consumer pays at the register is the price that consumer expected to pay when he or she decided to make the purchase.

We support legislation that says, essentially, that if a store "gets it right" virtually all of the time — instead of the current standard of just "most of the time" — and its compliance is verified by an independent audit, then that store would be allowed to stop putting stickers on certain individual items and rely

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instead on using a clearly readable shelf pricing system. And all of the current consumer protection measures would not only be left in place, they would be strengthened.

That's a heck of an incentive to make sure the system works for everyone involved. That's a heck of an incentive for companies to invest in Michigan and to provide good-paying jobs here.

We know this incentive approach to modernizing the item pricing law will be a win-win for retailers and consumers. It's also a win for the competitiveness of our state and all of our residents.

Thank you.